No. 5.

128. TRANSFER.

Debit.	£ s. d.	Credit.	£ s. d.
Consolidated Fund.—Vote, Colonial Secretary, Miscellaneous	4 18 2	Consolidated Fund.—Ordinary Revenue, Miscellaneous	4 18 2
Cost of cablegram to Manager Bank of New Zealand, London, *re* investment of £500,000 by Public Trustee (T. 01/1727).		Amount of interest deducted by Public Trustee when making payment on account of £500,000 investment.	
	£4 18 2		£4 18 2

(Treasury.—Approved, July, 1901.)

29th July, 1901.

R. J. COLLINS,
Accountant to the Treasury.
JAS. B. HEYWOOD.

No. 6.

The Treasury.

WHY is it proposed to make this transfer? The Audit Office has already refused to pass a voucher to make the cost of the cablegram in question a charge to the Public Account, and this voucher does not consist with that refusal.

J. K. WARBURTON,
Controller and Auditor-General.

1st August, 1901.

No. 7.

The Audit Office.

THE cost of the cablegram has been already paid by the Public Trustee, and as he considered he was entitled to reimbursement he deducted the amount from a payment *he had to make to us*. I think the Treasury should reimburse the cost, and this transfer is to make good the shortage the Public Trustee paid over.

2nd August, 1901.

JAS. B. HEYWOOD.

No. 8.

The Treasury.

THE Public Trustee's cablegram is an expense of his administration—an expense which he does not appear to be entitled by law either to have reimbursed by the Treasury or to charge to or deduct from the income of his trust under section 8 of "The Bank of New Zealand and Banking Act, 1895." Then the Treasury, though it had the express statutory right as the proprietor of the preferred shares to receive the dividend of 3½ per cent. on them, has no statutory right either to the interest on the Public Trustee's investment of the moneys received for the repurchase of the shares or to the income of his trust of such moneys. Nor has the Public Trustee any statutory duty or authority to pay such interest or income to the Public Account. The case is not one of a "payment he had to make" to that account.

J. K. WARBURTON,
Controller and Auditor-General.

3rd August, 1901.

No. 9.

Revenue Account.

6th July, 1901.

No. 57.—Consolidated Fund (miscellaneous) ... ... £8,745 1s. 10d.
M. 1200.

No. 10.

The Treasury.

ACCORDING to this Revenue Account it is proposed to credit to Miscellaneous Revenue the sum of £8,745 1s. 10d. paid by the Public Trustee to the Public Account as for "Interest on £500,000, Aid to Public Works and Land-settlement Act, 1900, held by Public Trustee as from the 23rd October to the 23rd April, £8,750 0s. 0d.; less amount to be adjusted, £4 18s. 2d.: total, £8,745 1s. 10d."

Has the Treasury considered whether the Public Trustee had any authority of law for making the payment? For if it is not clear that he had such authority, it is submitted that the money should either be returned to him or, pending the determination of the question, be placed to the credit of deposits.

J. K. WARBURTON,
Controller and Auditor-General.

1st August, 1901.

No. 11.

The Audit Office.

IT is not for me to set myself up as a judge of the legality of the action of the Public Trustee. If he had not considered himself justified in making the payment referred to he would presumably not have done so. So far as concerns the Treasury, it appears to me that the money should be credited to revenue, thus applying to the interest on the proceeds of the bank shares the same rule as obtained in the case of the dividends formerly received from those shares.

1st August, 1901.

JAS. B. HEYWOOD.